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ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

Twelfth Annual Report

FOR THE YEAR ENDED 30th APRIL, 1967

AR48

**ANGLO - SCANDINAVIAN
INVESTMENT CORPORATION
OF CANADA**

**SHAREHOLDERS'
INTERIM STATEMENT**

6 MONTHS ENDED 31ST OCTOBER, 1967

File
ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

**STATEMENT OF CONSOLIDATED EARNINGS FOR THE 6 MONTHS
ENDED OCTOBER 31, 1967**

(WITH COMPARATIVE FIGURES FOR THE 6 MONTHS ENDED OCTOBER 31, 1966)

Subject to year-end audit and adjustment

	1967	1966
Total Income.....	\$421,589	\$402,325
Earnings for the period before income taxes.....	\$369,436	\$348,424
Income taxes.....	6,100	5,900
Net earnings for the period.....	\$363,336	\$342,524
Dividends declared on preferred shares (paid November 1).....	\$ 68,750	\$ 68,750
Net earnings per common share*.....	\$0.27	\$0.25
Interim dividend declared on common shares..... (1967 paid November 1) (1967 on 1,079,550 shares; 1966 on 979,550 shares)	\$134,944	\$122,444
Per common share.....	\$0.125	\$0.125
Net gain realized on investment portfolio changes.....	\$135,648	\$341,116

NET ASSETS—OCTOBER 31

Book value.....	\$18,502,347	\$17,904,440
Market value.....	\$18,813,287	\$19,871,996
Per common share*.....	\$15.11	\$16.09

*After giving effect to the interest of holders of the 5½% cumulative redeemable preferred shares.

Results for the first half-year should not necessarily be taken as giving an indication of the results for the full year.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

BOARD OF DIRECTORS

FRANK H. BROWN

MICHAEL H. CRICHTON

J. IAN CROOKSTON

NORMAN F. W. H. D'ARCY

HON. GEORGE B. FOSTER, Q.C.

EDWARD D. FRASER

JOCELYN HAMBRO

WILLIAM F. JAMES, PH.D.

GEOFFREY OSMINT

SIR LEONARD PATON

HAVARD J. WILLIAMS

PHILIP C. WOOD

OFFICERS

WILLIAM F. JAMES *Chairman of the Board*

NORMAN F. W. H. D'ARCY *President*

WILLIAM A. CAMPBELL *Secretary*

J. BRIAN L. THOMAS *Treasurer*

MANAGERS

LOCANA SECURITIES LTD. Toronto

TRANSFER AGENTS AND REGISTRARS

COMMON SHARES:

NATIONAL TRUST COMPANY, LIMITED Montreal and Toronto

LOCANA CORPORATION (LONDON) LIMITED Transfer Agent — London, England

CANADIAN IMPERIAL BANK OF COMMERCE Registrar — London, England

PREFERRED SHARES:

NATIONAL TRUST COMPANY, LIMITED Montreal, Toronto and Vancouver

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE Toronto

HAMBROS BANK LIMITED London, England

SOLICITORS

FOSTER, WATT, LEGGAT, COLBY, RIOUX & MALCOLM Montreal

AUDITORS

CLARKSON, GORDON & Co. Toronto

CUSTODIAN

CANADIAN IMPERIAL BANK OF COMMERCE Toronto

OFFICES OF THE COMPANY

HEAD OFFICE: SUITE 3301-1155 DORCHESTER BLVD. WEST, MONTREAL

EXECUTIVE OFFICE: SUITE 1330-25 KING STREET WEST, TORONTO

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY
ANGLO-SCANDINAVIAN SECURITIES LTD.

SUMMARY OF RESULTS FOR THE YEAR ENDED APRIL 30, 1967

(With comparative figures for the year ended April 30, 1966)

	1967	1966
Total net assets:		
Book value - - - - -	\$18,207,057	\$16,137,441
Market value - - - - -	\$20,559,033	\$20,113,174
Per common share (1967 - 1,079,550 shares; 1966 - 979,550 shares) -	\$16.73*	\$17.98*
Dividend income - - - - -	\$ 723,243	\$ 540,647
Interest income - - - - -	\$ 27,827	\$ 32,042
Net earnings (after taxes)		
Per common share (1967 - 1,079,550 shares; 1966 - 979,550 shares)		
Earned - - - - -	\$0.46*	\$0.445*
Paid - - - - -	\$0.40	\$0.40
Net gain realized on investment portfolio changes - - - - -	\$ 723,876	\$ 367,080

*After giving effect to the interest of holders of the 5½% cumulative redeemable preferred shares.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY
ANGLO-SCANDINAVIAN SECURITIES LTD.

PORTFOLIO ANALYSIS AS AT APRIL 30, 1967

										<u>Number of Holdings</u>	<u>Approximate Market Value</u>	<u>% of Total Portfolio</u>
DEBENTURE STOCK	-	-	-	-	-	-	-	-	2		\$ 63,500	.3%
PREFERRED SHARES	-	-	-	-	-	-	-	-	4		667,700	3.3
											<u>\$ 731,200</u>	<u>3.6%</u>
COMMON SHARES												
1. Consumer Goods and Services												
(a) Breweries and Distilleries	-	-	-	-	-	-	-	-	3	\$ 766,300		3.7%
(b) Food Processing and Packaging	-	-	-	-	-	-	-	-	2	200,600		1.0
(c) Public Utilities	-	-	-	-	-	-	-	-	4	<u>1,193,400</u>		<u>5.8</u>
Total	-	-	-	-	-	-	-	-			\$ 2,160,300	10.5%
2. Financial Institutions												
(a) Banks	-	-	-	-	-	-	-	-	4	\$ 560,600		2.7%
(b) Other	-	-	-	-	-	-	-	-	2	<u>53,700</u>		<u>.3</u>
Total	-	-	-	-	-	-	-	-			614,300	3.0
3. Manufacturing Industries												
(a) Construction and Development	-	-	-	-	-	-	-	-	3	\$ 14,500		.1%
(b) Engineering	-	-	-	-	-	-	-	-	1	42,000		.2
(c) Other	-	-	-	-	-	-	-	-	1	<u>79,500</u>		<u>.4</u>
Total	-	-	-	-	-	-	-	-			136,000	.7
4. Natural Resources												
(a) Mines and Metals	-	-	-	-	-	-	-	-	11	\$12,895,500		62.7%
(b) Oil, Gas and Pipelines	-	-	-	-	-	-	-	-	3	860,400		4.2
(c) Pulp and Paper	-	-	-	-	-	-	-	-	6	<u>1,976,400</u>		<u>9.6</u>
Total	-	-	-	-	-	-	-	-			15,732,300	76.5
5. Transportation	-	-	-	-	-	-	-	-	3		646,500	3.1
TOTAL COMMON STOCKS	-	-	-	-	-	-	-	-			<u>\$19,289,400</u>	<u>93.8%</u>
TOTAL INVESTMENTS	-	-	-	-	-	-	-	-			\$20,020,600	97.4%
NET CURRENT ASSETS	-	-	-	-	-	-	-	-			538,433	2.6
TOTAL NET ASSETS	-	-	-	-	-	-	-	-			\$20,559,033	100.0%

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

TO THE SHAREHOLDERS:

Last August Mr. S. M. Wedd, who had been Chairman of your Company since its inception as a closed-end fund, expressed a wish to relinquish his office and to resign his directorship in order to reduce his commitments. It was with sincere regret that your Board complied with Mr. Wedd's wishes and I am sure that the shareholders will join the Board in expressing their gratitude and thanks for his valued services to the Company. I have accepted the Board's invitation to act as Chairman and I have much pleasure in presenting the accompanying financial statements for the year ended April 30th, 1967.

At the year end the market value of the total net assets of your Company amounted to \$20,559,033 compared with their book value of \$18,207,057. On a per share basis allowing for the issue of additional common shares during the year, the total net assets at April 30th, 1967, after deducting preferred share capital were equal to \$16.73 per common share.

Your Company's income showed a further appreciable improvement during the year and amounted to \$757,644 against \$573,663 the previous year. After a modest increase in expenses, this provided a net income after taxes of \$634,253 compared with \$464,689 in the previous year. The latest earnings are equivalent to 46¢ per share, after a full year of preferred dividends, on the 1,079,550 common shares outstanding at the year end compared with earnings of 44.5¢ per share on the 979,550 shares outstanding at April 30th, 1966. I am pleased to say that dividends have been maintained at the rate of 40¢ per share on the increased capital. Net realized capital gains totalled \$723,876 compared with \$367,080 the previous year.

The policy of your Directors is to continue to place emphasis on mines and metals and as you will see from the accompanying analysis of the portfolio holdings, shares in companies engaged in this sphere of activity represented 62.7% of the total portfolio at April 30th, 1967. This position reflects a substantial increase during the year in the size of your Company's investment in McIntyre Porcupine Mines Limited, which at the year end represented 42% of the total net assets by market value. During the year 12,000 common shares of McIntyre Porcupine Mines were purchased by exchange for 100,000 common shares of your Company as approved at the Special General Meeting of the shareholders held on September 14th, 1966. Meanwhile, in other sections of the portfolio your Directors are endeavouring to reduce the number of holdings and to concentrate funds in a fewer number of selected situations.

It was with regret that your Board accepted the resignation of Sir Edward Wilshaw during the year. He had been an esteemed member of the Board for many years. We welcome as new members of the Board Mr. J. Ian Crookston and Mr. Philip C. Wood.

WILLIAM F. JAMES
Chairman

June 13, 1967
Toronto, Ontario

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY
ANGLO-SCANDINAVIAN SECURITIES LTD.

AUDITORS' REPORT

To the Shareholders of

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA:

We have examined the consolidated balance sheet of Anglo-Scandinavian Investment Corporation of Canada and its wholly-owned subsidiary, Anglo-Scandinavian Securities Ltd. as at April 30, 1967 and the statements of consolidated earnings, contributed surplus and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us, and as shown by the books of the companies, the accompanying consolidated balance sheet and statements of consolidated earnings, contributed surplus and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at April 30, 1967 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
May 24, 1967.

CLARKSON, GORDON & CO.,
Chartered Accountants.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

(Incorporated under the laws of Quebec)

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

CONSOLIDATED BALANCE SHEET AS AT APRIL 30, 1967

(With comparative figures at April 30, 1966)

1966	ASSETS	1967
	Current:	
\$ 77,611	Cash - - - - -	\$ 363,155
1,692,668	Short-term notes, at cost - - - - -	
45,282	Trading securities, at average cost (approximate market value — 1967 - \$345,500; 1966 - \$42,000) (see schedule A) -	364,012
25,494	Accrued interest and dividends receivable - - - - -	21,225
<u>\$ 1,841,055</u>	TOTAL CURRENT ASSETS - - - - -	<u>\$ 748,392</u>
	Investments, at average cost (approximate market value — 1967 - \$20,020,600; 1966 - \$18,357,600) (see schedule B):	
\$ 56,200	Debenture stock - - - - -	\$ 58,138
293,772	Preferred shares - - - - -	669,630
14,028,613	Common shares - - - - -	16,922,344
<u>\$14,378,585</u>	TOTAL INVESTMENTS - - - - -	<u>\$17,650,112</u>
<u>\$16,219,640</u>		<u>\$18,398,504</u>
	LIABILITIES	
	Current:	
\$ 13,039	Accounts payable and accrued charges - - - - -	\$ 12,425
37,433	Payable upon receipt of securities purchased - - - - -	140,122
28,630	Dividend payable on preferred shares - - - - -	34,375
3,097	Income taxes payable - - - - -	4,525
<u>\$ 82,199</u>	TOTAL CURRENT LIABILITIES - - - - -	<u>\$ 191,447</u>
	Shareholders' equity:	
	Capital (note) —	
	Authorized:	
	200,000 redeemable preferred shares of \$25 par value each, issuable in series	
	2,000,000 common shares of \$5 par value each	
	Issued:	
\$ 2,500,000	100,000 5½% cumulative preferred shares Series A, redeemable at premium of 5½%	\$ 2,500,000
4,897,750	1,079,550 common shares (1966 - 979,550)	5,397,750
3,176,862	Contributed surplus - - - - -	3,945,145
5,562,829	Earned surplus - - - - -	6,364,162
<u>\$16,137,441</u>	TOTAL SHAREHOLDERS' EQUITY - - - - -	<u>\$18,207,057</u>
<u>\$16,219,640</u>		<u>\$18,398,504</u>

NOTE: In September 1966, the company issued 100,000 of its common shares in exchange for 12,000 common shares of another company, having a quoted market value of \$1,275,000. The excess (\$775,000) of the quoted value of the securities received over the par value of the shares issued was added to contributed surplus and share issue expenses deducted therefrom.

On behalf of the Board:

W. F. JAMES, *Director*

E. D. FRASER, *Director*

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

STATEMENTS OF CONSOLIDATED EARNINGS, CONTRIBUTED SURPLUS AND EARNED SURPLUS FOR THE YEAR ENDED APRIL 30, 1967

(With comparative figures for 1966)

1966	STATEMENT OF CONSOLIDATED EARNINGS	1967
	INCOME:	
\$ 540,647	Dividends - - - - -	\$ 723,243
32,042	Interest - - - - -	27,827
974	Profit on security trading by subsidiary company - - - - -	6,574
<u>\$ 573,663</u>		<u>\$ 757,644</u>
	EXPENSE:	
\$ 70,503	Management fees - - - - -	\$ 76,065
4,627	Interest - - - - -	11,172
12,000	Directors' fees - - - - -	11,918
1,550	Legal and audit - - - - -	1,982
7,050	Executive remuneration - - - - -	7,200
7,494	General - - - - -	7,079
<u>\$ 103,224</u>		<u>\$ 115,416</u>
\$ 470,439	Earnings before income taxes - - - - -	\$ 642,228
5,750	Income taxes - - - - -	7,975
<u>\$ 464,689</u>	Net earnings for the year - - - - -	<u>\$ 634,253</u>

STATEMENT OF CONSOLIDATED CONTRIBUTED SURPLUS

\$ 2,161,077	Balance, beginning of year - - - - -	\$ 3,176,862
1,175,460	Premium received on common shares issued during year - - - - -	775,000
<u>\$ 3,336,537</u>		<u>\$ 3,951,862</u>
159,675	Deduct share issue expenses - - - - -	6,717
<u>\$ 3,176,862</u>	Balance, end of year - - - - -	<u>\$ 3,945,145</u>

STATEMENT OF CONSOLIDATED EARNED SURPLUS

\$ 5,127,022	Balance, beginning of year - - - - -	\$ 5,562,829
	Add:	
464,689	Net earnings for the year - - - - -	634,253
367,080	Net gain realized on investment portfolio changes during the year - - - - -	723,876
<u>\$ 5,958,791</u>		<u>\$ 6,920,958</u>
	Deduct: Dividends declared -	
\$ 28,630	Preferred shares (1967 - \$1.375 per share; 1966 - \$0.286 per share) - - - - -	\$ 137,501
367,332	Common shares (40 cents per share) - - - - -	419,320
<u>\$ 395,962</u>		<u>\$ 556,821</u>
<u>\$ 5,562,829</u>	Balance, end of year - - - - -	<u>\$ 6,364,137</u>

See accompanying note to the consolidated financial statements

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

SCHEDULE A

SCHEDULE OF TRADING SECURITIES

(HELD BY ANGLO-SCANDINAVIAN SECURITIES LTD.)

APRIL 30, 1967

<i>Number of Shares</i>	COMMON SHARES	<i>Approximate Market Value</i>
13,000	Betrust Investment Corporation Ltd. - - - - -	\$ 276,300
1,400	Dynasty Explorations Limited - - - - -	10,200
150	Falconbridge Nickel Mines Limited - - - - -	13,200
10	Hardwicke Investment Corporation Ltd. - - - - -	500
200	McIntyre Porcupine Mines Limited - - - - -	18,000
200	Noctin Investment Corporation Ltd. - - - - -	1,600
2,000	Power Corporation of Canada, Limited - - - - -	25,200
50	Wentworth Investment Corporation Ltd. - - - - -	500
	Total trading securities - - - - -	<u>\$ 345,500</u>

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

SCHEDULE B

INVESTMENT PORTFOLIO

(HELD BY ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA)

APRIL 30, 1967

<u>Number of Shares or Par Value</u>		<u>Approximate Market Value</u>
DEBENTURE STOCK		
The White Pass and Yukon Corporation Limited —		
\$55,250	5% debenture stock due 1967-76 - - - - -	\$ 46,600
20,000	5½% unsecured loan stock due 1967-78 - - - - -	16,900
	Total debenture stock - - - - -	<u>\$ 63,500</u>
PREFERRED SHARES		
£77,000	Canadian Pacific Railway Company — 4% stock - - - - -	\$ 142,500
308	Candiac Development Corporation — 5% shares - - - - -	30,800*
3,000	International Utilities Corporation — \$1.32 U.S. - - - - -	96,700
8,200	Trans-Canada Pipe Lines Limited — \$2.80 - - - - -	397,700
	Total preferred shares - - - - -	<u>\$ 667,700</u>
COMMON SHARES		
Consumer goods and services		
10,925	The Bell Telephone Company of Canada - - - - -	\$ 547,600
8,000	Calgary Power Ltd. - - - - -	196,000
4,000	Canada and Dominion Sugar Company Limited - - - - -	100,000
5,000	Canadian Breweries Limited - - - - -	34,400

Forward —

*Unquoted securities — shown at cost.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

INVESTMENT PORTFOLIO

(HELD BY ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA)

APRIL 30, 1967

<u>Number of Shares</u>		<u>Approximate Market Value</u>
COMMON SHARES (Cont'd)		
14,000	The Consumers' Gas Company - - - - -	\$ 231,000
16,000	Distillers Corporation — Seagrams Limited - - - - -	632,000
7,000	International Utilities Corporation - - - - -	218,800
3,900	John Labatt Limited - - - - -	99,900
7,000	The Ogilvie Flour Mills Company, Limited - - - - -	100,600
	Total consumer goods and services - - - - -	<u>\$ 2,160,300</u>
Financial institutions		
2,000	Bank of Montreal - - - - -	\$ 137,000
1,600	The Bank of Nova Scotia - - - - -	122,800
200	Betrust Investment Corporation Ltd. - - - - -	4,200
750	Canadian Imperial Bank of Commerce - - - - -	53,700
6,000	Canadian General Securities Limited — Class "A" - - - - -	49,500
3,000	The Royal Bank of Canada - - - - -	247,100
	Total financial institutions - - - - -	<u>\$ 614,300</u>
Manufacturing industries		
3,200	Canadian Vickers, Limited - - - - -	\$ 42,000
546	Candiac Development Corporation - - - - -	4,100*

Forward —

*Unquoted securities — shown at cost.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

INVESTMENT PORTFOLIO

(HELD BY ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA)

APRIL 30, 1967

*Number of
Shares*

*Approximate
Market
Value*

COMMON SHARES (Cont'd)

546	Candiac Nurseries Ltd. - - - - -	\$ 600*
12,000	Neon Products of Canada Limited - - - - -	79,500
2,000	Redhill Investment Corporation Ltd. - - - - -	9,800
	Total manufacturing industries - - - - -	\$ 136,000

Natural resources

2,000	The Alberta Gas Trunk Line Company Limited — Class "A" - -	\$ 74,000
10,000	Alcan Aluminium Limited - - - - -	340,000
7,500	Asbestos Corporation Limited - - - - -	167,800
10,450	British Columbia Forest Products Limited - - - - -	229,900
22,000	Cassiar Asbestos Corporation Limited - - - - -	360,200
15,000	Cominco Ltd. - - - - -	476,200
10,000	Domtar Ltd. - - - - -	165,000
18,000	Falconbridge Nickel Mines Limited - - - - -	1,584,000
3,000	Fraser Companies, Limited - - - - -	70,500
11,000	The Great Lakes Paper Company Limited - - - - -	324,500
6,600	Hudson Bay Mining & Smelting Co., Limited - - - - -	430,700
6,100	Imperial Oil Limited - - - - -	361,400

Forward —

*Unquoted securities — shown at cost.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

INVESTMENT PORTFOLIO

(HELD BY ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA)

APRIL 30, 1967

<u>Number of Shares</u>		<u>Approximate Market Value</u>
COMMON SHARES (Cont'd)		
4,000	Interprovincial Pipe Line Company - - - - -	\$ 425,000
3,000	Kerr-Addison Gold Mines Limited - - - - -	37,900
19,000	MacMillan, Bloedel Limited - - - - -	572,400
95,084	McIntyre Porcupine Mines Limited - - - - -	8,557,600
3,000	Noranda Mines Limited - - - - -	155,600
10,000	Patiño Mining Corporation - - - - -	90,500
20,000	Placer Development Ltd. - - - - -	695,000
35,217	Powell River — Alberni Sales Limited - - - - -	614,100*
	Total natural resources - - - - -	<u>\$15,732,300</u>
Transportation		
5,000	Canada Steamship Lines, Limited - - - - -	\$ 161,300
4,100	Canadian Pacific Railway Company - - - - -	296,200
12,000	The White Pass and Yukon Corporation Limited - - - - -	189,000
	Total Transportation - - - - -	<u>\$ 646,500</u>
	Total Common Shares - - - - -	<u>\$19,289,400</u>
	TOTAL INVESTMENTS - - - - -	<u><u>\$20,020,600</u></u>

*Unquoted securities — shown at cost.

